

JOHNNY ✓
MARIO ✓
GARY ✓
→ KIM'S FILE
RE: DAC/TORRANCE

MEMORANDUM

TO: TOM MOTHERWAY
FROM: TOM OVERTURF *TO*
DATE: MAY 7, 1997
SUBJECT: BISSET MAY 6 MEMO
RE: TORRANCE CONTRACTING PROCEDURE

1. "Accidents" referred to in Bisset's Memo, to the best of my knowledge, over the past year are as follows:

A. Building 37 demolition:

1. A small fire caused by a cutting torch igniting insulation and wood frame on other side of structural member (in June 1996).
2. The collapse of the last remaining structural frame during demolition created a dust cloud on New Year's Eve. Note: Neither Building 37 incidents resulted in lost production or property damage.

B. In early April 1997, CST's Electrical Sub-Contractor cut wrong wire in trying to disable our retail site lighting circuit in our parking lot. He was in a vault attempting to correct an existing safety concern (created by Fox Studio's improper exit from DAC's parking lot) without de-energizing one critical circuit - no accident (no damage) occurred, but it could easily have been a fatal error. Procedures were agreed upon with DAC's C-6 Manager, Bob Ekman, to notify and have DAC facilities personnel on hand during any DAC-related operation.

C. Water Line Break - Excavation Sub-Contractor broke 10" fire line (transite pipe) during soil remediation east of Building 37. DAC Security was notified and turned off the fire pumps. No damage at this point. Our sub repaired the 10" line under DAC/MDRC supervision. DAC personnel then attempted to re-energize the pressurized system without purging (bleeding air from lines) which caused two major leaks on DAC property (between Building 66 and 2 and Building 2 and 3) which caused minor flooding. We assisted by repairing one leak, while DAC repaired the other and did clean-up. While the damage was clearly caused by DAC's own personnel in improperly re-activating the fire line, we are working with DAC to submit a claim to our Demolition Contractor's (CST) Insurance Carrier, since they were responsible for the initial break.

- D. Last week Paul Emery and two DAC electricians directed our sub contractor to pull an unearthed, unidentified wire exposed during excavation on the north side of Building 1. Under DAC direction, our sub hooked onto and pulled the wire (from outside with the big, tracked excavator) whereupon a 12' section of the interior conduit that contained the wire broke loose and fell from the wall onto the floor.
2. We have coordinated all work through Steve's designated representative, Bob Ekman, with weekly meetings and a close working relationship between Johnny, Mario, Gary and DAC's Paul Emery and Steve Chandler. It's our opinion that:
- These are minor isolated incidents blown out of proportion.
 - They are relatively typical of a major demolition project, on massive, highly-structured-complex, poorly-documented facilities.
 - Only "property damage and lost production" has been the direct fault of DAC personnel and their own errors.
 - Mario, Gary, and Johnny are focused on safety and are dedicated to close coordination with DAC. Mutual respect exists at the working level.
 - DAC's on-site personnel Bob, Paul, and Steve are very cooperative, and competent and we feel the process is working well.
 - The "contracting procedure" is essentially in place on a day-to-day basis in Torrance without MDRC being involved in DAC's internal paperwork.
3. Steve's procedure is directed toward DAC staff in C-1 manufacturing areas that involve multiple departments and is not directly applicable to our very site specific conditions. We will include the critical operations checklist and instructions in our bid package requirements for contractors on Phase 1A.
4. We should continue the daily coordination efforts and weekly meetings with DAC, and urge Steve to continue his support of Bob, Paul and Steve.

TAO:kk S:\Devmnt\Kistler\TomOKKTO1936.doc